



July 27, 2016

Healthy Ohio Program 1115 Demonstration Waiver  
Center for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

Philanthropy Ohio is a statewide membership association serving private and community foundations, corporate giving programs, government agencies, United Ways and other public charity grantmakers as well as individual philanthropists. Our mission is to be the leading voice and premier resource for philanthropy across the state, particularly serving our over 210 members who collectively awarded more than \$4 billion in grants last year. We have been engaged with the department as well as the Office of Health Transformation in recent years, through our member-driven Health Initiative that focuses on the state's health policy reform efforts. We hope that our comments in opposition to the waiver, based upon the initiative's principals and endorsed by our Board of Trustees, provide insight into philanthropy's perspectives on the waiver being submitted. These comments have been previously submitted to the Ohio Department of Medicaid during its public comment period and we are providing them now as the federal government begins its review of the submitted waiver.

Ohio, with the second largest number of health-focused foundations in the country, has philanthropic organizations with deep experience and commitment to improving the health of residents and working with government to do so. In an average year, Ohio's philanthropic organizations invest almost \$300 million in grants related to health. While these numbers pale in comparison to government resources, they are nevertheless important supports in countless communities across Ohio.

Philanthropy Ohio supported Medicaid expansion, testifying at hearings and signing on to the amicus brief submitted to the Supreme Court defending Governor Kasich's expansion. We did so because of our deep belief – based upon research – that access to care through health insurance is key to improved health outcomes for what then were about 1.5 million Ohioans without health insurance. Our engagement in education and outreach activities during open enrollment periods has been extensive, supported by our members both financially and in leadership, and we have been very pleased that so many Ohioans now have insurance that can provide them with access to the kinds of services they need to get and stay healthy.

It is for this reason that we oppose the Healthy Ohio Waiver, believing that it will ultimately result in the loss of access to insurance and care for thousands of

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people who are dis-enrolled. Ohio has made such great strides under the expansion by covering more than 600,000 Ohioans: why would we choose to go backwards?

When thousands of Ohioans lose access to medical services – if the waiver is approved and implemented – to whom will they turn? Philanthropy, which cannot possibly fill the resulting gap. Its resources pale in comparison to what would be needed to assure continued access to cost-effective primary care. While many of our members support health clinics in their communities, we know from that history that these clinics often operate on thin financial margins and will not be able to cover growing amounts of uncompensated care if coverage is weakened. Inevitably, there will be high use of emergency departments, which analysis from the Ohio Office of Health Transformation and Ohio Department of Medicaid highlights as the most expensive and least efficient avenue of care.

With ODM's estimate of the waiver affecting 1.66 million Ohioans, a conservative 15% figure would result in nearly 180,000 people being dis-enrolled. Indeed, other states that implemented premiums saw much higher rates of drop-off, such as Oregon with 77% and Vermont with 30%. Losing coverage due to non-payment of premiums has significant, serious, potential results:

- creates churn within the Medicaid system, with accompanying administrative impacts;
- disrupts continuity of care for patients as well as providers;
- puts individuals at higher risk for negative health outcomes; and
- increases economic insecurity.

Additionally, the implementation of premiums has potential negative consequences for Ohio's health care providers. The mandatory collection of co-pays, for instance, will be neither administratively easy nor cost-effective and interruption of care for those with chronic conditions makes the job of clinicians more difficult. The waiver, if implemented, would also likely reverse Ohio's cost containment of Medicaid, an issue of critical concern to the legislature and administration. Continued enrollment has been shown to increase the health of the population and lower costs of care, so the churn likely created by disenrollment until premiums are paid, would be counterproductive. And, the development of a complex system of establishing and managing thousands of Buckeye Accounts – complete with financial transactions, monthly statements, contributions and the point system for health behaviors (yet to be defined) – will be a cumbersome and costly venture.

The waiver also creates hardships for those Ohioans living on very limited incomes, as nearly half of Ohioans who earn less than \$15,000: either totally

lack or have limited banking access necessary to pay premiums and monitor accounts; often lack financial literacy; may have credit problems compromising their eligibility for accounts; and would have problems paying fees to access or maintain accounts.

We are also particularly concerned about potential implications the waiver has for Ohio's most vulnerable – its children. Much of our members' work has concentrated on ensuring the next generation of Ohioans, our children, have the greatest opportunity to be successful educationally and economically, which means they need regular access to healthcare. Healthy Ohio creates potential disruptions in care for children, including foster children and low income children with special needs. The potential disenrollment of parents means low-income children will face another barrier in becoming more successful.

It is for these reasons that Philanthropy Ohio believes the waiver does not advance the best interest of Ohio and its most-at-risk populations.

Sincerely,



Suzanne T. Allen, Ph.D.  
President & CEO



Claudia Y.W. Herrold  
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